

Bank and Corporation Billing Information

This insert contains information about interest rates, methods for calculating interest, cost recovery fees, and information about the Taxpayers' Bill of Rights.

INTEREST RATES

PERIOD	RATE
01/01/2000 AND LATER	8%
07/01/1999 — 12/31/1999	7%
01/01/1999 — 06/30/1999	8%
07/01/1995 — 12/31/1998	9%
01/01/1995 — 06/30/1995	8%
07/01/1993 — 12/31/1994	7%
01/01/1993 — 06/30/1993	8%
07/01/1992 — 12/31/1992	9%
07/01/1991 — 06/30/1992	10%
01/01/1990 — 06/30/1991	11%
07/01/1989 — 12/31/1989	12%
10/01/1988 — 06/30/1989	11%
04/01/1988 — 09/30/1988	10%
01/01/1988 — 03/31/1988	11%
10/01/1987 — 12/31/1987	10%
01/01/1987 — 09/30/1987	8%
07/01/1986 — 12/31/1986	9%
01/01/1986 — 06/30/1986	10%
07/01/1985 — 12/31/1985	11%
01/01/1985 — 06/30/1985	13%
07/01/1983 — 12/31/1984	11%
03/01/1983 — 06/30/1983	16%
01/01/1983 — 02/28/1983	14%
05/27/1982 — 12/31/1982	18%
01/01/1976 — 05/26/1982	12%
Prior to 01/01/1976	6%

INTEREST ON TAX

Interest is charged on unpaid tax from the original due date of the return until the date of payment.

INTEREST ON PENALTY

Interest on penalties for failure to file a return by the due date of the return (delinquent penalty), failure to pay tax by the due date of the return (underpayment penalty), substantial understatement of tax liability attributable to abusive tax shelters, and failure to make a reasonable attempt to obey the tax laws, is computed from the due date of the return (including extensions) to the date of payment.

Interest on the penalty for failure to file a Domestic Disclosure Spreadsheet by the due date is computed from the due date of the spreadsheet (including extensions) to the date of payment.

Interest on all other penalties is computed from the date of notice until the date of payment.

INTEREST COMPOUNDED

Interest rates are compounded daily beginning July 1, 1983, for all purposes except the computation of additions to tax arising from the underpayment of estimated tax (estimated tax penalty).

PAYMENT WITHIN FIFTEEN DAYS

If the total amount owed is paid in full within fifteen days of the date on the notice, no interest will be charged beyond the date on the notice.

ADDITIONAL 2% INTEREST

Effective January 1, 1992, C corporations may be subject to 2% additional interest on underpayments if the cumulative unpaid tax for the taxable period exceeds \$100,000. To avoid incurring the 2% additional interest, the corporation must pay the total underpayment amount within 30 days of the notice. If assessed, the 2% additional interest will be computed on any unpaid amount for that taxable period.

For determining 2% additional interest, cumulative tax greater than \$100,000 includes regular tax and alternative minimum tax but excludes interest, penalties or additions to tax.

2% additional interest will be assessed from the later of January 1, 1992, or the earliest applicable date occurring for the income year. From January 1, 1992, through December 31, 1998, an applicable date is established 30 days after notice of any unpaid balance due. Effective January 1, 1999, an applicable date is established 30 days after notice of any unpaid balance due consisting of a cumulative unpaid tax amount greater than \$100,000.

For corporations that received a Notice of Proposed Assessment before December 31, 1991, and did not pay the amount due before January 31, 1992, an applicable date of January 1, 1992 was established.

A Return Information Notice, Notice of Proposed Assessment or Notice of Balance Due constitutes official notice.

Regarding the 2% additional interest, California Revenue and Taxation Code Section (R&TC Sec.)19521 conforms to Internal Revenue Code Section 6621 with modifications.

INTEREST ON ASSESSMENTS

FTB will generally follow the holdings and procedures set forth in Rev. Rul. 99-40, 1999-40 I.R.B. 441, which held that when a taxpayer reports an overpayment on its income tax return, interest will be assessed on that portion of a subsequently determined deficiency for the overpayment return year that is less than or equal to the overpayment as of: (1) the date on which the overpayment is refunded without interest; or (2) the date on which the overpayment is applied to the succeeding year's estimated taxes. Interest will be assessed on any remaining portion of the deficiency from the original due date of the tax for the overpayment return year.

Corporations should notify us immediately if they believe that an interest adjustment should be made to reflect the principle above.

Cost Recovery Fee (R&TC Sec. 19254)

We must charge a fee to entities that require collection or enforcement action to resolve filing and payment delinquencies. The fee reimburses us for the cost of taking these actions. Only those entities that fail to respond to a demand to file and continue to fail to pay the amount due after notice for payment will be charged a fee.

The fee amount changes each year to reflect the actual costs of collection and enforcement. The California Legislature sets the fee. For information regarding the current fee, call our automated telephone service from within the United States at (800) 338-0505, or from outside the United States (not toll free) at (916) 845-6600. Select **general tax information**, follow the recorded instructions and enter code **003** for the filing enforcement fee or code **004** for the collection fee.

TAXPAYERS' BILL OF RIGHTS INFORMATION

The Taxpayers' Bill of Rights Act (R&TC Sec. 21001-12017) ensures that the rights, privacy and property of California taxpayers are adequately protected during the process of the assessment and collection of taxes.

If we levy or seize property and you believe our action is improper, you have the right to a hearing to provide us with information to modify or withdraw our levy or stop the sale of your property.

If we file a lien in error, we will mail an FTB notice of error, at your request, to the credit reporting companies in the county where the lien was filed.

If we levy upon your bank account in error, we can reimburse you for bank charges incurred as a result of our error. Your claim must be filed within ninety days from our levy date.

Any questions concerning our collection process or procedures should be directed to the phone number listed below. In addition, the FTB has a Taxpayers' Rights Advocate who reviews those cases where taxpayers have been unable to resolve their problems with the FTB through normal channels. You may contact the Advocate by writing to:

TAXPAYER ADVOCATE BUREAU
PO BOX 157
RANCHO CORDOVA CA 95741-0157
OR FAX: (916) 845-6614

FOR MORE INFORMATION

Telephone assistance is available from 7 a.m. until 8 p.m. Monday through Friday and from 7 a.m. until 4 p.m. on Saturdays. Between January 3 and April 17, service is available from 6 a.m. until midnight, Monday through Friday and from 7 a.m. until 4 p.m. on Saturdays and holidays. All times listed are Pacific Time.

From within the United States, call
(toll-free) (800) 852-5711
From outside the United States, call
(not toll free) (916) 845-6500
Internet address: www.ftb.ca.gov

Assistance for persons with disabilities: We comply with provisions of the Americans with Disabilities Act. Persons with hearing or speech impairments, call: from voice phone (800) 735-2922, or from TTY/TDD (800) 822-6268.

Asistencia para personas incapacitadas: Nosostros cumplimos con las reglas del Acto de Americanos con incapacidades. Personas con impedimentos de oído o de habla: de teléfono de voz lláme a (800) 735-2922, o personas con una aparato de telecomunicación TTY/TDD lláme a (800) 822-6268.